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DEMYSTIFYING THE TECHNOLOGY TRANSFORMATION GAP IN WEALTH MANAGEMENT

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Why am I relevant to talk to you about AI?

It's about making the leap into the next curve of innovation



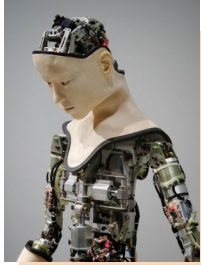
Big Picture

- b** What are AI & Digital Wealth Management?
- b** Major innovations wealth managers should not ignore
- b** The role of generative AI in wealth management – where are we now?
- b** Managing challenges and integration in the transformation process
- b** Managing people talent in this new era
- b** How can private banks use this technology for differentiation

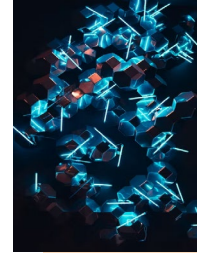


AI & Digital Wealth Management

Artificial Intelligence (AI)



It's computer science focused on creating machines that can perform tasks that normally require human intelligence, such as learning, reasoning, problem-solving, and decision-making.



Generative AI is a specific subset of AI that focuses on generating new content that is similar to or indistinguishable from human-created content

USAGE

Image Recognition, Natural Language Processing, Autonomous Vehicles and Recommendation Systems

Generative AI

- **GPT 4 Plus (GPT: Generative Pre-trained Transformer)**
- **Google AI (Bard) learned Bengali by itself**
- **Google built DialogFlow**
- **IBM Watson**
- **GigaChat (RU),**
- **Alibaba, Baidu, ByteDance (CN)**



Generative AI

Image generation: Midjourney, DALL-E-2, Stable Diffusion

Text Generation: GPT-4, Perplexity, ChatGPT, Playground

Video Generation: Synthesia, Deep Motion

Voice Generation: WellSaid Labs, Murf, Speechify

Graphic Generation: Adobe Firefly

Music Generation: Soundful, Aiva

AI replacing artists: Drake AI, Liam Gallagher AI (Aisis)

AI mix: McCartney's 71 year old voice with young voice

Record labels will get rid of artists

Streaming companies will get rid of record labels



Digital Wealth Management



Technology and automation to manage investments and provide financial advice to clients



It typically involves the use of online platforms or mobile apps that allow users to access investment management tools and services



Digital wealth management platforms often use AI algorithms to analyze market data, predict market trends, and optimize investment portfolios



Digital wealth management platforms can provide lower fees and greater accessibility compared to traditional wealth management service

Major innovation in the wealth management space

Robo-advisors

- Not generative AI yet but use machine learning to optimize and personalize investment recommendations

NLG (Natural Language Generation)

- Automatically writes reports, summaries etc
- Can be used to generate personalized investment reports and market analysis

GAN (Generative Adversarial Network)

- Create new content by learning from existing content.
- Can be used for back testing and risk analysis

Major innovation in the wealth management space

Predictive Analysis

- Data mining/machine learning to analyse historical data and make predictions about future events.
- Can be used to forecast market trends, identify investment opportunities and manage risk

DRL (Deep Reinforcement Learning)

- Training algorithms to make decisions based on rewards and penalties
- Can be used to optimize trading strategies and portfolio allocation.



Applications

Generative AI in wealth management



Personalized Financial Advice: analyse client's situation and give personal advice



Portfolio Management: portfolio optimization, asset allocation and rebalancing



Risk Assessment: assess potential risk of investment strategies



Market Research/Insights: analyse massive data, summarize, provide insights



Client Engagement & Communications: chat bot like humans



Automation of Administrative Tasks: report generation, compliance checks



Prediction of Forecasting: predict market movements & make suggestions



Challenges

Leadership Challenges

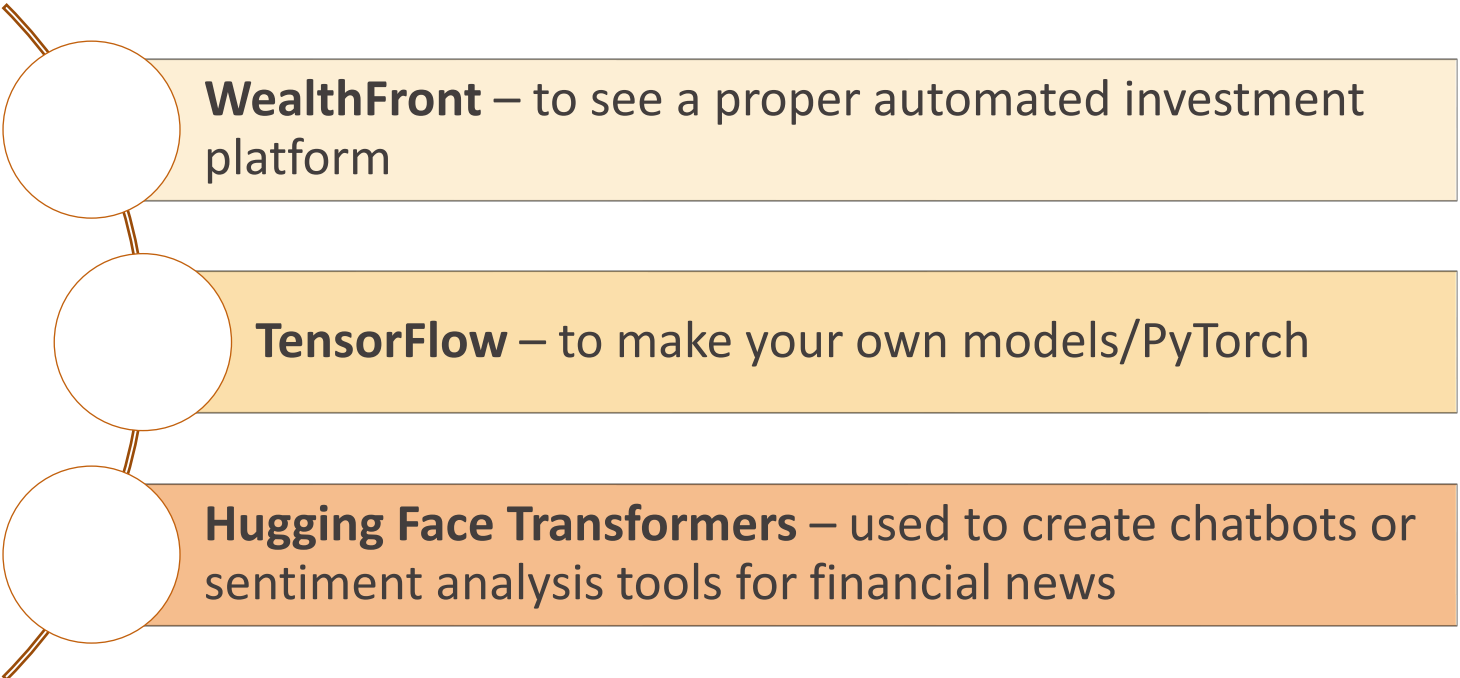
Managing integration in the transformation process

Managing people talent in this new era

Managing this technology in market differentiation

Industry Challenges

There aren't many publicly available generative AI tools specifically tailored for the wealth management space.



WealthFront – to see a proper automated investment platform

TensorFlow – to make your own models/PyTorch

Hugging Face Transformers – used to create chatbots or sentiment analysis tools for financial news

AI will not take away your job

An aerial photograph of a rugged mountain range, likely the Alps, showing snow-capped peaks and deep valleys. A white rectangular box is overlaid on the right side of the image, containing the word 'DISCLAIMER' in a bold, orange, sans-serif font. A thin orange diagonal line extends from the top-left corner of the white box towards the top-left of the image.

DISCLAIMER

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